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DIARY NOTES

DD/S *WJH*

28 February 1964

1. At the Executive Committee Meeting this morning Dick Helms referred to an article in the New York Journal American which alleged that CIA had been penetrated, etc. This brought forth a discussion of how we should respond to any such questions. The Director said that we should simply say that we know we are a target, we know of no penetrations, and we are working very hard both offensively and defensively in the security field to ensure that there are none.

2. Regarding the [REDACTED] housing project:

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a. I talked to John Clarke, who later talked to Mr. Kirkpatrick, about the high bids we have received and said that the \$600,000 approved for this construction might not be sufficient. John said that he had anticipated this situation and had reserved up to \$150,000 to cover this contingency. Both he and Kirk felt that we should go ahead with the construction, getting it as cheaply as possible, of course.

b. Later in the day Jim Garrison telephoned from [REDACTED] to say that with my approval he was prepared to sign a contract for twenty duplex houses (12 four-bedroom and 8 three-bedroom) with the low bidder for \$450,000. I authorized him to do so. It is now anticipated that bids will be opened for the two BOQ's about mid-March.

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3. Emmett Echols and I called on Warren Irons, Executive Director of the Civil Service Commission, to discuss our summer employment program. We explained to Warren that for security reasons we must either employ dependents of regular CIA employees or have no program at all. He said that he was completely sympathetic to our problem, understood it, and was certain that the Commission would offer no objection whatever should we proceed with our program. In fact, he said that he thought it would be a waste of the taxpayers' money to spend the time and money required to clear employees for such short-term employment. He recognized, of course, that we might well subject ourselves to Congressional criticism and publicity in the newspapers.

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He was quite candid in giving us the background leading up to the recent Bulletin banning nepotism, at least for this summer. The gist of it is as follows: Ever since the beginning of the Kennedy administration, the White House (O'Donnell and Davies) has practically taken over the Government summer employment program and, in the Commission's view at least, has been using it for political purposes. Now a Republican Congressman has introduced a bill which would proportion summer jobs among Congressional districts. There have been other flaps, among them one growing out of an order by an airbase commander that only the sons or daughters of uniformed personnel would be given summer employment there. The recent Civil Service Commission Bulletin was published at their own initiative and without any consultation with the White House in a deliberate attempt to recapture control of a program which they consider rightfully theirs. (On Saturday, 29 February, I briefed General Carter and Mr. Kirkpatrick on this session with Warren Irons. After a thorough discussion General Carter decided that it was not in the Agency's best interest to have a summer employment program this summer. This was not an easy decision for him to make, and I believe that the item which tipped the scales was his fear that Congressional criticism might jeopardize our early retirement legislation.)

4. Bob Fuchs was in to see me about withholding tax in compliance with the new income tax law, which requires that payroll deductions be reduced to 14 percent effective eight days after the President signed the bill (26 February). We will have no difficulty in meeting this deadline for personnel on the vouchered payroll. However, we cannot meet the deadline on the confidential funds payroll; and I approved of the new deductions being reflected in the confidential funds pay checks to be issued on 24 April although legally, I guess, we will not be complying exactly with the law.

5. [REDACTED] was up to see me with a letter from Dwight Porter, Assistant Secretary of State for Administration, and a proposed cable to [REDACTED]. The gist of Porter's letter is that he assumes that equipment purchased with the [REDACTED] to get started on [REDACTED]

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show just what we did with the [REDACTED] how much equipment is actually available, and what we propose to do with it. We must have this study before we can intelligently answer Dwight Porter's letter. In short, this poses a very neat problem for us. The Department of State's request is a perfectly valid one which we cannot turn down offhand.

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6. At the Executive Committee Meeting this morning General Carter advised us that in the course of the morning we would each receive a directive to assemble certain OXCART-cleared personnel and to brief them on the necessity for continued security restrictions after OXCART is surfaced by the President on Saturday, 29 February. (The directive was received, and the briefing was conducted in the course of the day.)

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